Import of natural rubber

1723. SHRI K. CHANDRAN PILLAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of total production of natural rubber in the country;

(b) whether rubber has been imported to the country;

(c) if so, details of tax levied on imports;

(d) whether Government consider raising the tax rates on imports of rubber; and

(e) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) The total production of natural rubber (NR) in the country during 2007-08. was 825,345 tonnes and the projected production of NR in 2008-09 is 875,000 tonnes.

(b) and (c) Yes, Sir. The applied rate of customs duty for dry forms of NR is 20% and that of latex is 70% from January, 2004. The estimated tax levied on imported NR during 2007-08 is Rs. 3.94 crore.

(d) and (e) No, Sir. With effect from April, 2001, Quantitative Restrictions (QR) on import of natural rubber has been removed. Prior to that, natural rubber was included in the Negative List as a restricted item of import. The applied rate of customs duty has been 20 per cent for dry forms of rubber and 70 per cent for latex from January, 2004. The bound rate of dry forms of NR is 25 per cent and latex is unbound. Hence, the customs duty of NR can only be raised to 25 per cent in any case. The customs duty of latex can be raised to any level, but latex accounted only for 9 per cent of consumption of rubber in the country in 2007-08. Moreover, though rubber prices declined from mid-September, 2008, the average domestic price for the period from 1st April, 2008 to 30th November, 2008 was Rs. 116.67 per kg., which is more than the average annual price of natural rubber in the domestic market in 2006-07 (Rs. 92.04/kg) and 2007-08 (Rs. 90.85/kg). The above situation does not warrant any immediate policy revisions on applied rates of customs duty.

Increase in industrial production and growth

†1724. SHRI JAI PARKASH AGGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government proposes to take any steps to accelerate the speed of industrial growth and to increase the industrial production;

(b) if so, the details thereof as on date; and

(c) if not, the reasons therefor?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (c) The Government has put in place various policy measures to promote broad based industrial growth. This includes, inter-alia, delicensing of industrial capacity, liberalization of foreign trade regime to provide better access to inputs at competitive prices, rationalization and reduction in duty rates of customs and central excise, better infrastructure support, and liberal FDI regime, etc.

A major package has been announced by the Government on 7th December, 2008 to stimulate industrial growth such as, an across-the-board reduction of 4% in Cenvat/Excise duty, interest subvention of 2% for pre and post shipment export credit for labour intensive industries such as textiles, handlooms, handicrafts, leather, gems and jewellery, marine products and Small and Medium Enterprise sector, Government back-up guarantee to Export Credit Guarantee Corporation (ECGC) to provide guarantees for exports to difficult markets/ products, refund of service tax to exporters on foreign agent commissions, refinance facility of Rs. 4000 crore for the National Housing Bank by RBI, refinance facility of Rs. 7000 crore for Small Industries Development Bank of India (SIDBI) by the Reserve Bank of India (RBI) to support Micro, Small and Medium Enterprises (MSMEs), an additional allocation of Rs. 1400 crore for Technology Upgradation Fund (TUF) for textile industry *etc.*

In addition, Reserve Bank of India (RBI) has recently taken a number of steps to reduce the cost of credit and improve liquidity for industry by reducing Repo rate, Statutory Liquidity Ratio (SLR), Cash Reserve Ratio (CRR) *etc.*

Shortcomings in the policy framed for SEZ's

1725. SHRI N.R. GOVINDARAJAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether due to the shortcomings in the policy and in the rules and procedures framed for the SEZs the Government has suffered huge revenue losses;

(b) if so, the details thereof;

(c) whether Government has detected cases where such units in the tax free zone are selling majority of their products within the country rather than exporting them;

(d) whether CAG has pointed out many such cases; and

(e) if so, the details thereof and the action taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (e) The Report of the Comptroller and Auditor General of India (C and AG for the year ended March, 2007 on Performance Audit on Union Government — Indirect Taxes, have *inter alia*, raised certain issues relating to Special Economic Zones. These issues mainly relate to achievement of Net Foreign Exchange (NFE) through deemed exports; duty foregone on inputs used in exempt products